

Matt Blunt
Governor



Michael N. Keathley
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@mail.mo.gov

Thomas J. Sadowski
Director

MEMORANDUM

TO: Fiscal and Human Resource Officers

FROM: Division of Accounting

DATE: April 16, 2007

RE: Reporting Commuting Miles--Clarification

While the personal use of a State vehicle is prohibited, the IRS has defined commuting in a State vehicle as a taxable event. With the change in policy in 2007 for all agencies to report commuting in state vehicles using the cents per mile method, we found there are many questions on how to define "commute" for this purpose.

The IRS has very specific examples in Publication 463 which we have summarized below:

- A trip from Home to a Temporary Work Location is non-commuting and therefore not taxable.
 - Example: Leaving from home to a meeting outside of the office.
- A trip from a Temporary Work Location to Home is non-commuting and therefore not taxable.
 - Example: Going home after a meeting outside the office.
- A trip from a Temporary Work Location to your principle place of business is non-commuting and therefore not taxable.
 - Example: Leaving a meeting outside of the office, then going to the office.
- A trip between Home and your principle place of business is commuting and is taxable.

Over the years, the IRS's definition of commuting has become more liberal. The current interpretation in the above examples may be a change from how you have reported a taxable commute in the past. We realize that this may result in changes to individual withholding amounts reported in prior years. If the individual chooses to request a W2C for 2004, 2005, or 2006, please be sure the amount is a significant change. The individual will be responsible for filing amended returns at their own expense.

If you have questions regarding the above examples, please contact Vandee DeVore, Central Payroll Manager, at 573-522-5863, or Vandee.DeVore@oa.mo.gov.